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GOVERNOR

STATE OF MICHIGAN

DEPARTMENT OF NATURAL RESOURCES

LANSING



REBECCA A. HUMPHRIES  
DIRECTOR

October 2, 2007

**REVISED**

The Honorable Michelle McManus, Chair  
Senate Appropriations Subcommittee  
on Natural Resources  
S-2 Capitol Building  
P.O. Box 30036  
Lansing, Michigan 48909-7536

The Honorable Michael Lahti, Chair  
House Appropriations Subcommittee  
on Natural Resources  
S-1489 House Office Building  
P.O. Box 30014  
Lansing, Michigan 48909-7514

Dear Senator McManus and Representative Lahti:

Pursuant to Section 804, PA 344 of 2006, the following is information on action taken by the Michigan Forest Finance Authority regarding the \$26 million grant from the Michigan Strategic Fund, appropriated from the 21<sup>st</sup> Century Jobs Fund. The grant was reduced to \$6 million by Executive Order 2007-03.

The Michigan Forest Finance Authority has made expenditures, project commitments and has planned actions for the remaining \$6 million appropriated from the 21<sup>st</sup> Century Jobs Trust Fund under section 88j of the Michigan Strategic Fund Act, 1984 PA 270, MCL 125.2088j. Fiscal Year 2007 expenditures for committed projects were limited due to mid-year uncertainties on the availability of the Strategic Fund appropriation, which was ultimately decreased by Executive Order.

For Fiscal Year 2007, \$24,200 has been expended for an economic assessment of vegetative management regimes. In addition, a total of \$2,809,300 has been committed to:

- 1) implementation of the red pine project (\$1,957,400),
- 2) completion of a state forest inventory and site potential database (\$679,900),
- 3) implementation of a forest cultural resource management project (\$137,000), and
- 4) assessment of Michigan's forest markets with a benchmark of harvest and transportation costs (\$35,000).

The Department plans to spend the remaining funds during Fiscal Year 2008 for action and implementation of projects including, but not limited to, the implementation findings

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Senator Michelle McManus  
Representative Michael Lahti  
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defined in the economic assessment of vegetative management regimes and wood fiber-related projects associated with alternative energy investments.

If you have any questions, please feel free to contact me.

Sincerely,

Sharon M. Schafer, Chief  
Budget and Support Services  
517-335-3276

cc: Senate Appropriations Subcommittee Members  
House Appropriations Subcommittee Members  
Ms. Jessica Runnels, Senate Fiscal Agency  
Dr. Kirk Lindquist, House Fiscal Agency  
Mr. Robert Emerson, State Budget Director, Department of  
Management and Budget (DMB)  
Mr. Jacques McNeely, DMB  
Ms. Jennifer Harrison, DMB  
Director Rebecca Humphries, Department of Natural Resources (DNR)  
Mr. Dennis Fedewa, Chief Deputy, DNR  
Ms. Arminda Koch, Resource Management Deputy, DNR  
Mr. Dennis Fox, Chief of Staff, DNR  
Mr. Daniel Eichinger, Acting Legislative Liaison, DNR  
Ms. Lynne Boyd, DNR  
Ms. Donna LaCourt, DNR  
Ms. Jane Schultz, DNR  
Mr. Joseph Taylor, DNR